



COMMUNITY COMMENTS

VOL. XX NUMBERS 1-2 MARCH, 1969

*The Community's Need
for
An Economy*

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PART ONE IN A SERIES:

Community Initiative Necessary to
Rural-Urban Balance and Economic Well-being

INTRODUCTION

For the past twenty-eight years Community Service has sought to awaken concern for the future of the small community and about the hazard to the nation of having so much of its population concentrating in the large cities. Now that the cities themselves are so clearly suffering there is a growing awareness of this as a critical problem for the nation.

In April of 1968, the governmental Advisory Commission on Intergovernmental Relations published a Commission Report Urban and Rural America: Policies for Future Growth, suggesting ways to correct the population imbalance and consequent decay of city and countryside. This is a significant study and its findings of what is happening are dramatic. However, the proposals for building new cities to cope with the population congestion now taking place, as well as for relieving the economic adversity of rural areas, leave out of consideration the underlying dynamics that prevent the building of housing and the development of adequate employment, public facilities and services by the communities and people who need them.

Writing in the British Spectator, William Janeway observed that "what is true of American society at large is true of the American economy as well: the prerequisite for stability has become radical change." Yet, "Radical reform is not, of course, what is to be expected. . ." "As matters stand, price stability in America

means an intolerable level of unemployment...And average unemployment below four percent means an intolerable level of inflation at home and accelerated loss of competitiveness abroad."

The nation as a whole may now be impotent to effectively cope with such basic economic and social problems. It is therefore necessary for us to consider approaches to their solution that lie within the power of smaller units of society.

In this Community Comments we will seek to define and illustrate a basic cause of the disadvantage of America's hinterland and suggest ways in which it can be removed. Other factors of economic disadvantage, such as the ownership and management of land and natural resources are but mentioned because they are more commonly recognized.

The economic principles we suggest for use by communities and regions can be applied to nations as a whole. Long experience has shown that there is little likelihood of bringing such principles into action for entire nations in the near future. Premier Daladier of France once proposed to follow such a policy of attaining non-inflationary full employment for his nation, and the bankers who were jealously protecting their privileged position stopped him in his hope. Senator Bankhead in the United States and Sir Stafford Cripps in England similarly found the opposition to such proposals too strong. We have concentrated our attention on the options and the opportunities of the communities, of the people themselves, where the real opportunity lies.

TABLE OF CONTENTS

Introduction Page 2

The Community's Need for an Economy

I. A Basic Cause of Extremes of Wealth and Poverty	5
II. Community Economic Health Depends on its Working Capital	8
III. Economics and Community -- Inter- dependence and Relationship. . .	11
IV. Historical Background of the Community Economy	15
V. An Economy Requires Controls and Discipline	18
VI. Appropriate Disciplines are Pre- requisites to Freedom	20
VII. Experimental Development of Sound Economic Processes	21
VIII. Ethical Considerations are Funda- mental to Economics	25
IX. The Community's Prerogative and the Stakes at Issue	27
Bibliography	29

COMMUNITY COMMENTS, edited by Arthur E. Morgan (continuing Community Service News), is issued several times a year (and copyrighted) by Community Service, Inc., P.O. Box 243, Yellow Springs, Ohio. Subscription: \$2 for eight issues. Community Service, Inc., a nonprofit organization devoted to serving the interests of the community as a basic social institution, invites membership and support from persons interested in this field. A part of the dues paid by members is credited to Community Comments subscription.

THE COMMUNITY'S NEED FOR AN ECONOMY

by

Griscom Morgan

I. A Basic Cause of Extremes of Wealth and Poverty

The growing extreme of concentration of population, power, wealth, and poverty in America's large cities is leading to strife and conflict in the metropolis and to deterioration of life and hope outside the metropolitan areas. This development arises to a large extent from a cause which has not been understood.

The economic problem that most severely affects areas, communities and nations away from the metropolitan centers is fundamentally simple. It is that even if a community has all the requisites for a flourishing economy, without sufficient money in circulation a monetary economy will be progressively impoverished. The eminent economist Dudley Dillard wrote in the book Post-Keynesian Economics about the role of money supply in the economic community, "Money is not just another form of economic wealth. . . In a money economy all goods must assume a money form, that is, they must be transformed from goods to money. Otherwise specialized producers have only negligible use for the things they produce. . . These simple facts have not been incorporated in economic theory, perhaps because they are too obvious for sophisticated economic analysis."

If an individual family spends more money than it takes in it will be on the road to bankruptcy. Small communities

and hinterland areas similarly must have enough money for economic exchange within their own economy for their economies to give adequate work and employment. If people do not employ or buy from one another within the community, but buy primarily from the metropolis, more money tends to go out of the community than comes in, and to make a living people are impelled to go where the money goes. Poverty and depopulation characterize even fertile and well endowed parts of our nation, in consequence of the movement of money to the city. According to Orville Freeman, more than half a million people now move to our large cities each year as displaced persons, overwhelming them with trouble.

Modern commercial advertising and the undercutting of costs of production by heavy investment in automation and labor-saving processes stimulate people to buy on the national market rather than within the local economy, and the national economy does not return the money by buying equivalently from the local community. Installment buying leads people to buy beyond their cash resources. Money lending, insurance and investment become concentrated in the large cities so that people in the hinterland towns and communities invest in the large city and borrow from it rather than within the local economy.

As each economic function is taken from the local community, the amount of interest, wages and profit on transactions that take place through the city grows; the result is that a significant propor-

tion of cost in each transaction that is routed through the city stays there. From over the world come the raw materials and the market, but the profit predominantly goes to the large financial centers and the wealthy class in their suburban world. The loans the United States has made to South America have so great an interest burden that three quarters of the loans the United States now makes to it are counter-balanced by interest payments on past debt.* Metropolitan centers are the places in which profit and interest payments accumulate from the hinterland of America and of the world.

The local community and region are especially disadvantaged in their shortage of money in the paying of taxes and rents which will be largely spent outside the community. These have to be paid in national currency and may require all the profits on the small farmer's or tradesman's operations. The expensive high-school training that taxes pay for is largely lost to the local community, for the high school and college graduates predominantly migrate to the cities where their competence and training probably will be exploited in industry and commerce. Under these circumstances the rural and smaller town areas cannot afford good education; even the better teachers who get training by teaching in rural schools are hired away to the larger cities. It should not be surprising if the hinterland and rural areas of the nation are increasingly reactionary and

* Report of Inter-American Development Bank quoted in The Christian Science Monitor, 5/31/68.

ill educated as well as poor and depopulated.

Modern technology is not primarily responsible for this migration of capital, property ownership and population into metropolitan centers. The same process took place in ancient Persia, Greece, Rome, and in many another commercial empire, only less rapidly than today. The discovery we need to make and can make today is that this process, which Brooks Adams called "The Law of Civilization and Decay", is not inevitable. It is not necessary to conclude that, since the economic system has long worked in this way, every community and hinterland society must fall subject to the process as part of the "wave of the future", with the hinterland areas continuing to be impoverished and depopulated and the population having to move to the large city where the balance of the money goes.

II. Community Economic Health Depends on its Working Capital

These economic tendencies that now afflict the nation can be countered, community by community, by the equivalent of a family managing its budget, doing for itself with its own manpower and resources what it has not the money to buy from outside. A present day community tends to be in a position analogous to that of a family with several husky youth that, lacking a power lawn mower and money to buy one, can either pay a commercial lawn mowing service and leave its own youth untrained and unemployed; or put its youth to work with the good but less modern equipment it has

and accumulate its own capital resources with which to better equip itself.

But it is not enough to keep money in the community; it must circulate there, it must be used for the most needed investment, exchanges and employment in the community. For idle money is of no more benefit to the community than idle men. After a dollar of income comes into a community the more often it is used for needed exchanges within the community, before it leaves for payment to the outside world, the more it will give income to community members for their employment and wealth.

A case will illustrate the effect of the citizens disciplining themselves in using money in their community. A citizen of the community has received \$300 for cattle sold during the summer. He would like a big color television set. With his community responsibility in mind he pays the \$300 to a neighbor whom he owes for carpenter work. The carpenter would like a wall-to-wall carpet, but considering his interest and his responsibility he pays the \$300 to the local dentist for putting the family teeth in order. The dentist would like a higher-class expensive automobile but decides to pay \$100 for paint and then to pay \$200 to a local painter to paint his house. A well-to-do neighbor sees the point, and instead of investing the family savings of \$25,000 in a great corporation in the stock market he helps two young men to set themselves up in a small industry which will sell much of its product at a distance from the community, and thus add to the community employment and money in-

come. The development of this spirit has the result of making it more worthwhile to live in this community than to migrate to the metropolis, so that an increasing population and financial success attracts and fosters yet more employment and enterprise.

Spending and employment within the community should not take the place of economic specialization in the wider economy, as when the community can develop a service for which there is a potential market in the wider world. But that is not easy in most communities farther away from the metropolitan centers of population and finance. The difficulty and cost of getting outside income for the community through industry and agriculture is so great for many communities that they would do well to make a particular point of spending as much as is feasible within the community, fostering employment, sales and services between its members and developing products which will have a market in the wider world. When so spent, any given amount of outside income can pyramid into many times greater employment and wealth than is commonly the case in American communities.

An outstanding example of sound application of this principle is the way a banker in the county seat of a rural county -- Clarkesville, Tennessee -- went beyond the usual perspective of the bankers' profession to work for the economic community of his county. He employed a qualified staff and developed a program designed to bring capital to promising local enterprise and an economic order that would make for economic health. During the thirties this

county rose from being among the poorest to one of the most prosperous in the state, and the banker, William Bailey, was the first small town banker elected president of the American Bankers Association. Bailey tried to share with other bankers fundamentally the same concept as we are giving here. As another case of local economic effectiveness the Mennonite farming communities in northern Ohio, through initiative and self-reliance, have become so prosperous that they are continually expanding their area by buying out adjoining farmers who were living by the conventional economic pattern.

III. Economics and Community -- Interdependence and Relationship

We have been discussing economics and community; it is time we gave some attention to the relationship between the two. A Websters dictionary defines economics as "pertaining to the management of the affairs of a government or community with reference to its source of income, its expenditures, the development of its natural resources, etc." Economics is thus a primary aspect of effective societies, from the community of the lowly ant or bee to the community of nations.

The emergence of larger orders of society does not automatically eliminate the lower and smaller order, but must be made up of smaller societies just as the emergence of the large elephant does not eliminate the necessity of small cells and organs, but is made up of a complex of them.

The tendency in modern society to assume that the large state (including essentially state-like corporation and metropolis) must supplant the community in its roles of education, economics, communication, production and distribution misconceives the nature of human society. We are not faced with an either-or alternative, but with the fact that the continued wellbeing of smaller units is necessary to the stability of larger units of society. If we allow the larger units to usurp the life and role of the family and smaller communities, the larger in turn will be imperilled. Nothing can save the large corporations and state organizations if the fabric of society falls apart at its foundation. And of that foundation the economy of the smaller units of society is an intrinsic part of their life.

The Chamber of Commerce of Chambersburg, Pennsylvania, published a book about its town in which the importance of the economy of the local community is well defined:

. . . local self-help is of national as well as of local importance. We can state (the) reason for local initiative in this way: Since our national economy is made up of many local or regional sections, the effectiveness with which local people design and operate each of these sections will determine most of the points of strength and many of the points of weakness in the national economy. And, if depression comes, the inevitable impact of that depression on any one community can be reduced by alert local

people and intelligent local planning. As in the past, so in the future the welfare of the United States will be determined not by any grand national strategy but by what everyday people do in dealing with their everyday local affairs.

If a region or community has not an effective local economy it will be a poorer part of the national economy.

The communities along the Hudson River between Albany and New York City are well situated for a prosperous economic life -- but for the fact that they are in the hinterland between two metropolises, and economic life now tends to gravitate to and be controlled by the metropolis. The same was true of Southern Illinois, midway between St. Louis and Chicago. Southern Illinois had all the resources for full employment and economic wellbeing (the best of river and railroad transportation, coal, oil, forest, diversified agriculture, minerals, and people), except for its failure to galvanize them into relationship to the community. For decades it failed to have an adequate financial and economic community of its own, and thus a potentially prosperous economic area was one of the nation's more disadvantaged "underdeveloped areas." If it had a vigorous economy it would be one of the more effective parts of the economic life of the nation. Both Chicago and St. Louis are harmed by having so many people crowd into them who could not stay and make good in such communities.

What is true between regions of the

United States is also true between nations. Japan, having protected and fostered the life of its economy is the better member of the economic community of the world as compared with the Latin American countries that are under servitude to the North American economy. The wealthy in many Latin American countries buy luxuries from abroad and invest their money in Swiss banks, while their own economies are but suppliers of raw materials for the North American economy. To counter this trend, India is now trying to severely restrict expenditures and investment outside the country in order for it to be able to buy essentials from the world market. Because such control over foreign expenditures has been inadequate, India has had much of its international currency wasted on the personal wants of the wealthy. India still has its own currency with which to carry on its own internal economy. Such a potentiality does not ordinarily exist for the community and region within the nation.

This allusion to the need of communities and nations to protect their economies must not be interpreted as suggesting that the national and international economic communities should be "balkanized" into a confusion of tariff barriers and import quotas. Extremes and stupidity must be avoided. But it must be recognised that reciprocity and economic balance in trade is necessary between communities as between nations.

IV. Historical Background of the Community Economy

Throughout most of human history and prehistory the small community successfully played a key role in human life, defending, educating, transmitting the cultural heritage, controlling and distributing the limited area of land and resources within its boundaries and maintaining morale and economy in terms of larger values than those of just the isolated individual. There was no intrinsic conflict, but rather an ecological harmony was achieved, between the life of the community, that of the individual, and that of the larger world beyond the community. Instabilities existed and wars were fought, but the stability of the small community persisted. The crucial factor that over the world caused the breakdown of the local community and its economy was analyzed in the Newsletter of the Institute of Ethnic Affairs: (Nov. 1948)

A world-wide, urgent problem is that of the rural local community--the village community--in the modern world.

Can it become once more, what it was for aeons, the richly flourishing home of its members? Can it thus become, while also uniting its members with the nation and the world? The future of India, of Indonesia, of Africa, of the Andean Highlands and Mexico, and of many other regions, is bound up with the answer to this question. Research, experiment, and cautious yet intense social enterprise, are called for by the question. Tragically little of these is being supplied.

Dutch administrators and scholars have thought long and deeply upon this question. They generally assume, or conclude, that when money economy enters the village community, the genius of the community starts to die. The complexly organic unity falls apart, intra-village rivalry takes the place of mutual aid, social value perishes. But the scholars acknowledge that very little of wisely planned and sustained experimentation has yet been carried out.*

It is not necessary to conclude from the history to which the Institute of Ethnic Affairs referred that a money economy must or always had such a degenerative effect on the community, and that controls must hereafter be delegated primarily to other social entities than the community.

The typical capitalist economy displaced the integrity of the local economy largely because of a little recognized characteristic of the conventional monetary system -- that our money is designed to serve

*(It is significant that before this organic unity of the local community and its economy began to fail the critically important problem of population control was one of the strongly effective areas of community responsibility, and that widely over the world the stable community and family limited offspring to fit the limits of opportunity for the generation to come. It was not war or disease that was the primary control, but the various patterns of community and family control that prevailed in the stable community.)

both as a medium of exchange and as a store of wealth. In consequence such money is characterized by what Maynard Keynes called "liquidity preference", it is scarce because it can be valued as a store of wealth rather than just as a medium of exchange. Our high interest rates are required to persuade people to lend such a money. As economist Dudley Dillard has pointed out,

"such a money in its role as a store of wealth stands as a barrier to full production, that is, unemployment is caused by money."

But there have been effective monetary systems that had fundamentally different characteristics and effects. Such a system prevailed for more than two hundred years in Europe during the period of the guilds and Gothic architecture. This was a time of rapid technological advance, commercial prosperity, full employment and of prosperous small cities predominantly less than eight thousand in population.

The distinctive feature of the monetary system during this crucial period of European history was the "seigniorage" tax on money, making it infeasible to use money as a store of wealth. After this tax was discontinued, economic depression and unemployment set in over Europe, and the ensuing misery led to the peasants' rebellions in Germany and England, widespread breakdown of the traditional small communities and the displacement of rural people to the cities.

V. An Economy Requires Controls and Discipline

The basic question follows: Can a community today protect its solvency and its own economy as a wise family and nation must? To some degree prudent communities do this now within the present pattern of society. The chambers of commerce of good communities serve this purpose as in the case of Chambersburg, to which we referred. They endeavor, as did William Bailey, to bring enough money income to the community through economic enterprise to sell on the outside market, and through local enterprise to help the community to serve its own needs.

The prosperity of Amish and Mennonite farmers depends on their protecting their economy from depletion of its working capital, as by excessive diversion of income away from essentials. They are careful not to buy more from the outside economy than they receive as income; they insulate their culture from the psychological pressure of advertising driving people to buy out of relation to the necessities of their economy, and they maintain the community morale to make such controls effective. Consequently the Amish and Mennonites are able to provide for their increasing population by buying out the farms of their neighbors, and prosper while farmers generally are having to reduce their numbers.

One does not have to be a horse and buggy Amish farmer to use horse sense. We shall show that a balanced and progressive non-agricultural community can take action

to achieve the basic economic values that the Amish have achieved. However, wise social controls and standards in community affairs are needed, especially to offset the powerful forces of commercial advertising and the financial practices that have had a whip hand over the economy.

Controls have always been necessary in economic life, even among lower animals. V.C. Wynne-Edwards and others have documented the wide extent of social and biological controls among lower animals showing that they have been necessary for healthy group survival. Our problem today is how to attain controls for healthy economic life that will be consistent with human freedom and without the deadening hand of bureaucracy reaching into all corners of society. For the economy must not be merely a grab-pot to the greediest, the most prolific, the most improvident. The phrase "from each according to his ability, to each according to his need" has this hidden implication of differentiation between need and demand.

Social controls are essential to a strong and vital community. They give freedom to the group to work together in a unity that can vastly extend the opportunity and wealth at their disposal. Controls obviously need to be temperate, to help the individual and group to share the wider heritage of mankind and allow freedom for individuality. Such freedom is being lost to the pawns of the "system" among whom there is not the vision and discipline of community.

Society is inherently an orchestrated

relationship of individuals within social wholes. Speech, reading, play, labor -- all are outgrowths of community and require discipline for them to be possible. A person has no freedom to drive, or play in an orchestra if he has not the discipline of his own person and of group relationships. The undisciplined are the infants and the tragically ill brought-up. The tyranny of authoritarianism is the ultimate alternative to inner discipline in fellowship and community. And this applies fundamentally to economic life. Israel's economic success is an outgrowth of a disciplined people. Inner character control as compared with overt police control can be as much a community as an individual development.

VI. Appropriate Disciplines are Prerequisites to Freedom

The most obvious answer to the problem of economic controls is to set up a governmental apparatus to deal out to each person, family or community what should be its rightful share of resources and productivity. Under such a bureaucratic economic order the decision-making power would have to be delegated to an elite power group, and there would have to be bureaucratic apparatus to manage most of the intricacies of the economy. But even with computerization such an economy would tend to be an unwieldy deadening monstrosity. Automation and freedom of choice are necessary ingredients of a healthy free society -- automation in the sense that the details of the economy do not have to be continually supervised, controlled and directed. The word autonomy is not suf-

ficient to denote what is needed, for if there is to be autonomy and freedom there must be the kind of economic order that will permit it. These qualities need to be built into the economic order. And they can be built in. The use of the open market and of money are both invaluable tools for automation and freedom if they can be separated from the causes of exploitation and destruction of the integrity of economic communities.

We have the historical precedent of such a balance between monetary freedom and social control in the economic order we referred to that existed in Europe for the more than two hundred years during the gothic era of guilds. Within this economic order, as sociologist Carr-Saunders has shown, effective and eugenic population controls were intrinsic parts of the social economy. It was a time of balance between freedom and discipline. The factors that made it possible are described in Arthur Dahlberg's Money in Motion. Experimental economic pilot scale use of these principles will be described later.

VII. Experimental Development of Sound Economic Processes

Such basic principles in economics, almost too obvious to belabor, but too generally lacking in economic theory, must be applied in different ways to fit differing circumstances. Any one technique may be inapplicable to some circumstances. The technique that was unwittingly but successfully employed in gothic Europe might encounter such great opposition from vested interests that it could

not long be employed by communities today. But knowledge of the basic principle, and of why the hinterland economy has failed, can enable communities that have a good morale to use other methods that are within their reach as did William Bailey in Tennessee. For that reason we will go into but little detail about any one successful procedure for developing effective local economic life, and about their part in the larger regional and national economy. That is available elsewhere.

Today we must have new insights and variety of experimental social and economic developments if we are to find ways out of the impasse in which society is now caught. Fundamental characteristics of our financial order are the same as those by which ancient Greece and Rome suffered and fell; some of its characteristics are so grossly out of date that they are a hazard to mankind in this era of automation and atomic energy.

Rather than make wholesale, nationwide, changes in the financial and economic order with procedures that have not been experimentally tried, it would be well to experiment on a smaller scale that will allow experience to develop without jeopardizing the entire nation. Thus in Chicago during the great depression a variety of economic innovations in community economy were tried out, and all but one failed. The one that succeeded was based on the principles that are the subject of this essay.

These are not utopian concepts, impossible of accomplishment within a community

or region, or with implications of excessive interference with individual liberties and national wellbeing. They have been successfully incorporated in a variety of communities using the technique that was the subject of the essay we referred to by Dudley Dillard, basically the same procedure used in Europe during the gothic period of which Arthur Dahlberg wrote in his Money in Motion.

Several communities in Germany and Austria developed their own local currencies designed to fulfill the conditions of full employment in the local community, even when there was widespread unemployment in the national economy. During the depths of the great depression the town of Woergle, Austria advanced from severe unemployment to full employment within three months from the beginning of its innovation, and within a year was prosperous. A nearby town, Kirchbichl, followed suit with a similar program. A meeting of 200 Austrian mayors decided unanimously to follow the Woergl example. Prominent people, including Daladier of France, visited and were enthusiastic. But when the example threatened to spread, the Austrian national bank took legal action against it. After a long legal battle the Austrian Supreme Court decided in favor of the bank, and the innovation was prohibited.

In the United States the economic community we referred to in Chicago used the same technique very successfully for several years until the second world war with its price controls and other special provisions made it necessary to discontinue it.

The method used in these experiments in Austria, Germany and Chicago was to have a differential in the exchange between the local and the national currency, such that people having the local currency would take a loss of about ten percent if they changed from local to national currency and correspondingly had a gain in exchanging from national to local currency. They sold to each other at the same face value as they would with national currency (although they required part payment in national currency for such new commodities as autos). A community newspaper advertised all the firms and merchants that participated. To insure active use of the currency, it was designed to lose a small percentage of its original face value every week or month. In consequence the local currency was used so actively that it had three times the frequency of use -- velocity of circulation -- of the national currency, which in effect made the working capital of the local currency three times as valuable to the community as an equivalent amount of the national currency.

The European communities using this type of economy found their local currencies so popular that they were spreading into national use and the national banks prevailed on their governments to prohibit them because they were threatening to displace their currencies from circulation. This new type of currency increases the financing and beginning of new businesses -- so necessary to new employment -- and makes it possible for local demand to stimulate supply by local business. Similarly, local investment is preferred to national investment. In the United States

such a currency is legal in denominations of a dollar and more.

Systems of community economy and exchange, if well conceived, stimulate reciprocity between the economies of communities such that each in its specialization and its need for products from others will complement each other in their trading, buying and selling with each other. For example, the Midwest Exchange, operating over a number of midwestern states during the depression, linked up the needs for products and for markets of firms over a wide area; in an area of Switzerland and Germany an "economic ring" or clearing house between enterprises operated in a manner similar to the Chicago United Trade Dollar Exchange and the Midwest Exchange. (The latter was forced to discontinue because of provisions in the government NRA program that were later found unconstitutional.)

VIII. Ethical Considerations are Fundamental to Economics

The successful operation of such systems of building employment and economic life tends to carry enterprises and communities into prosperity to the point that people do not so much feel need for them and may dispense with them. Prosperity allows people to forget the need for mutual endeavor and aid. A sound community does not thus allow its morale and mutual aid to be merely a response to economic need and to disappear in consequence of plenty. It requires vigilance to maintain practices and morale that will keep economic conduct in line with long range

values and purposes. Here again economics and community must go hand in hand. The community must have its economy, and the character of the economy must be fostered by the community and its enduring purposes.

Without a foundation in higher values and purposes economic processes tend to degenerate into ends in themselves and to betray and defeat human values. Preoccupation with profit-making will lead people to sell out all that differentiates ■ man from a beast and even to descend below the level of the beasts in sacrificing wellbeing of community, family and children for the getting and spending of wealth.

The community economy and economic mutuality can enable the few who put ethical and social considerations primary in their affairs to support each other and become an economic community even while the world at large rejects such considerations and worships the god of mammon. Such community of purpose can enable ethical considerations in economic life to be economically sound. People desiring meaningful and ethical association in employment can turn to groups that have held such values, and each such community when it is in need can turn to others for help and reinforcement. Koinonia Community has thus been helped over times of crisis; Highlander Center is insured by a circle of friends when commercial insurance is unavailable. The Antioch Bookplate Company, which had been the headquarters of the Midwest Exchange, has been a fellowship of people desiring employment association with oth-

ers of purpose. Communication and mutual aid between such communities is widespread.

Thus economic community based on considerations of justice and human brotherhood is not insular or provincial, but just the contrary. It leapfrogs over great distances uniting people and communities of common purpose in cooperation and mutual aid. Ingenuity and community action can accomplish much if there is the understanding, the will and community spirit.

IX. The Community's Prerogative and the Stakes at Issue

Few people realize what a high price is paid for failure to have such an economic base as we here suggest. We have become inured to the fact that the greater the automation and mechanization, the greater seems to be the unemployment and the competitive difficulties of keeping in business. The large corporations that receive the lions' share of the benefit from research, automation and control of capital increasingly buy out the economy, and the concentration of wealth rapidly places most of the economy at the mercy of the wealthy.

Two hundred years ago in many industries a man could produce but a thousandth part as much as he can now with the benefit of modern industrialization. But it is now more difficult for most members of the community, from childhood to old age and from business executives to the industrial worker in terms of the crucial stress upon vital energies. It is the Appalachians in their unemployment and the in-

mates of prisons who have freedom from stress as evidenced by few heart attacks. The hindmost can get unemployment relief, but such admission of failure is poor solace for a self-respecting person. The two million migrant agricultural workers are our modern equivalent of the slaves of the past. Instead of productivity of labor making life more leisurely and beautiful it increases the strain, displacing all but the more productive farmers on farms many times as large as once were adequate to support a family. It is becoming necessary for both husband and wife to work to support the family away from home, whereas once children had fellowship with both parents and care adequate for their developing personalities.

In the midst of our burgeoning wealth our schools are mass production facilities in which underpaid teachers can give little opportunity for individual participation and expression by children. We cannot afford public services to cope with the growing problems of such a civilization. War is only one cause of these problems. The alternative to war has tended to be economic depression as occurred before the second world war and sporadically since that war.

The community and region that masters the problem of inadequate demand and rebuilds the economic community can take full benefit of modern productivity of labor and be free from the evils with which it has been associated. There are few greater contributions the community could make toward national wellbeing and world peace than to thus establish a sane economic basis of community wellbeing.

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The author's The Economics of Non-Inflationary Full Employment is a survey of the demurrage tax in literature, theory and practice.

The German community economy experience is reported in the New Republic of August 10, 1962, by Hans Cohrssen. This and the Austrian community economy was written up in pamphlet form by Dr. Hugo Fack in The Boom of Swankirk and The Miracle of Woergle.

The economy of the gothic period is discussed in a theoretical study by Arthur O. Dahlberg, Money in Motion, second edition (John DeGraff, Inc. 1962). Dahlberg's earlier book When Capital Goes on Strike (Harpers, 1938) led to his being chosen by the Temporary National Economic Committee of Congress to write the monograph Analysis of Recovery Plans (TNEC Monograph #25, 1940). Brookes

Adams in his The Law of Civilization and Decay (Vintage Press) supports the economic historians Damaschke, Freytag, Ebengrout and others in writing that "The time from 1150 to 1450 was . . . a period of economic prosperity such as we have difficulty in imagining." The role of the seigniorage tax during this time is the subject of Hugo Fack's pamphlet The Gothic, 1150-1450.

Chambersburg, its Record and its Prospect was published in 1945 by its Chamber of Commerce. Accounts of the work of Charles William Bailey in Clarkesville, Tenn. appeared in a number of periodicals, briefly in Readers Digest, April 1944.

Carr-Saunders' historical study of community population controls is a much needed corrective to the prevailing assumption that human populations have heretofore been limited primarily by disease and war. His The Population Problem (Clarendon Press, Oxford, 1922) deals with this most succinctly on pages 280-284 and 291-296.

The rapid displacement of people from rural America and the need to find new ways of accomodating them is the subject of an article by Orville L. Freeman when Secretary of Agriculture entitled "Coming up, a Different America". It appeared in the Social Services Outlook of March 1968, published by the New York State Department of Social Services. The Commission Report Urban and Rural America of the Advisory Commission on Intergovernmental Relations (April 1968) is available from the Superintendent of Documents, Washington, D.C.

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